

1 S.94

2 Introduced by Senators Lyons and Balint

3 Referred to Committee on Economic Development, Housing and General
4 Affairs

5 Date: February 24, 2017

6 Subject: Labor; taxation; development; remote workers; flexible workplaces

7 Statement of purpose of bill as introduced: This bill proposes to direct the
8 State to enhance opportunities for remote work and workplace flexibility
9 within State government, to create a tax credit for employers that adopt
10 workplace flexibility and telecommuting programs, to direct the Secretary of
11 State and government partners to design a system to simplify interactions with
12 businesses that employ remote workers in Vermont, to expand and improve
13 infrastructure and support for remote workers in Vermont, to direct the
14 Secretary of Administration to examine the potential for establishing remote
15 worksites that are available for use by both State and private-sector workers, to
16 direct the Commissioner of Labor to develop a plan to expand educational and
17 training programs that address skill shortages in Vermont's workforce, and to
18 encourage the deployment of broadband Internet access in rural, high-cost
19 areas of the State to promote economic development.

20 ~~An act relating to promoting remote work and flexible work arrangements~~

An act relating to promoting remote work

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 ~~Sec. 1. 32 V.S.A., chapter 151, subchapter 11O is added to read:~~

3 Subchapter 11O. Remote and Flexible Workplace Tax Credit

4 § 5930c. REMOTE AND FLEXIBLE WORKPLACE TAX CREDIT

5 (a) As used in this section:

6 (1) "Employer" means an entity doing business at one or more physical
7 locations in Vermont or that employs one or more employees that telecommute
8 from a worksite located in Vermont for at least 130 workdays during a
9 tax year.

10 (2) "Flexible work schedule" means a daily work schedule that contains
11 certain required hours during which an employee must be present at work and
12 designated hours before or after the required hours during which an employee,
13 with the approval of his or her employer, may elect a time of arrival to work
14 and departure from work.

15 (3) "Job-share" means a work arrangement in which two or more
16 employees share one job, jointly assuming responsibility for the job's output.

17 (4) "On-site or subsidized child care" means child and dependent care
18 services that meet the following requirements:

19 (A) The services are provided at or near the employee's workplace.

20 (B) The services are available for the entire period of the employee's
21 workday.

1 ~~(C) The employer assumes a minimum of 25 percent of the cost of~~
2 ~~the services for each child or dependent of an employee that receives such~~
3 ~~services.~~

4 (5) "Part-time work" means a work arrangement in which an employee
5 works more than 20 hours per week but fewer than 40 hours per week.

6 (6) "Qualified remote and flexible workplace program" means a
7 program that permits employees to elect to participate in at least two of the
8 following flexible work arrangements:

9 (A) flexible work schedule;

10 (B) job-share;

11 (C) part-time work;

12 (D) telecommuting; and

13 (E) onsite or subsidized child care.

14 (7) "Telecommute" means a work arrangement in which an employee
15 works from the employee's home or a workplace near the employee's home
16 instead of from the employer's place of business. "Telecommute" does not
17 include direct sales in which the employee is engaged in selling consumer
18 products in a customer's home or a location that is not a permanent retail
19 establishment.

20 (b)(1) A tax credit against any tax liability under section 5822 or 5832 of
21 this title is available to an employer with a qualified remote and flexible

1 ~~workplace program. The credit shall be available for any tax year in which the~~
2 ~~employer maintains a qualified remote and flexible workplace program for the~~
3 ~~entire year or the credit may be carried forward to any of the three subsequent~~
4 ~~tax years.~~

5 ~~(2) The credit shall be in the amount of \$250.00 for each full-time~~
6 ~~equivalent employee participating in the qualified remote and flexible~~
7 ~~workplace program plus ten percent of the employer's expenditures made~~
8 ~~pursuant to the program for onsite or subsidized child care and for equipment~~
9 ~~related to telecommuting.~~

10 ~~(3) The credit, either alone or in combination with any other credit~~
11 ~~allowed by this chapter, shall not reduce the income tax liability of the~~
12 ~~employer by more than 80 percent.~~

13 ~~(c)(1) To claim a credit pursuant to this section, an employer shall submit~~
14 ~~to the Agency of Commerce and Community Development documentation and~~
15 ~~any additional information requested by the Agency that is necessary to~~
16 ~~demonstrate compliance with the requirements set forth in subsection (b) of~~
17 ~~this section in the tax year for which the credit is claimed.~~

18 ~~(2) The Agency, upon review and confirmation of the employer's~~
19 ~~eligibility for a credit, shall issue a credit certificate to the employer, who shall~~
20 ~~file the certificate with the Department of Taxes with its State income tax~~
21 ~~return for the applicable year.~~

1 ~~(d) The Secretary of Commerce and Community Development shall adopt~~
2 ~~rules as necessary to implement this section.~~

3 ~~(e) The Secretary of Commerce and Community Development shall report~~
4 ~~to the House Committee on Commerce and Economic Development and the~~
5 ~~Senate Committee on Economic Development, Housing and General Affairs~~
6 ~~on or before January 15 of each year regarding employee participation in the~~
7 ~~Remote and Flexible Workplace Tax Credit Program. The report shall include~~
8 ~~the following information:~~

9 ~~(1) the number of employers participating in the program;~~

10 ~~(2) the rate at which the participating employers are providing job-~~
11 ~~share, part-time work, flexible work schedules, telecommuting, and onsite or~~
12 ~~subsidized child care to their employees;~~

13 ~~(3) the rate at which employees are participating in job-share, part-time~~
14 ~~work, flexible work schedule, telecommuting, and onsite or subsidized child~~
15 ~~care programs;~~

16 ~~(4) the estimated average number of trips, miles, and hours of travel~~
17 ~~time saved annually by each employer that offers telecommuting to its~~
18 ~~employees;~~

19 ~~(5) a summary of the efforts of employers to promote and encourage~~
20 ~~flexible work arrangements; and~~

21 ~~(6) an evaluation of the effectiveness of employers' efforts to promote~~

1 ~~and encourage flexible work arrangements.~~

2 Sec. 2. PROMOTION OF REMOTE AND FLEXIBLE WORK OPTIONS

3 IN STATE GOVERNMENT; REPORT

4 (a) The Secretary of Administration shall, on or before January 1, 2018,
5 develop and implement a program to expand flexible work options for State
6 employees, including telecommuting, part-time work, job-share, and flexible
7 work schedules. The program shall be designed to achieve the following
8 goals:

9 (1) increase employee efficiency and productivity;

10 (2) enhance employee work-life balance;

11 (3) promote employee involvement in family, community, and civic
12 activities;

13 (4) benefit the environment; and

14 (5) reduce demands on transportation infrastructure and parking at
15 State offices.

16 (b) The Secretary shall require all State agencies and departments to
17 implement the program on or before July 1, 2018.

18 (c) Nothing in this section shall be construed to amend or modify any
19 collective bargaining agreement to which the State is a party. Nothing in this
20 section shall be construed to diminish the State's obligation to comply with
21 any collective bargaining agreement to which it is a party.

1 ~~(d) The Secretary shall report, on or before January 15, 2020, to the House~~
2 ~~Committees on General, Housing and Military Affairs and on Government~~
3 ~~Operations and the Senate Committees on Economic Development, Housing~~
4 ~~and General Affairs and on Government Operations regarding the~~
5 ~~effectiveness of the program at achieving the goals set forth in subsection (a)~~
6 ~~of this section and any recommendations for legislative action to further~~
7 ~~promote those goals. The Secretary's report shall also include:~~

8 ~~(1) the number of regular part-time employees currently employed by~~
9 ~~the State and the percentage of the State's total workforce it represents;~~

10 ~~(2) the number of State employees that are participating in a job-share~~
11 ~~and the percentage of the State's total workforce it represents;~~

12 ~~(3) the number of State employees that have a flexible work schedule~~
13 ~~and the percentage of the State's total workforce it represents;~~

14 ~~(4) the number of State employees that telecommute and the percentage~~
15 ~~of the State's total workforce it represents;~~

16 ~~(5) the program's policies and guidelines for State employees that wish~~
17 ~~to participate in the program; and~~

18 ~~(6) plans to increase the amount and scope of flexible work options~~
19 ~~available to employees across State government.~~

20 (e) As used in this section:

21 ~~(1) "Flexible work schedule" means a daily work schedule which~~

1 ~~contains certain required hours during which an employee must be present at~~
2 work and designated hours before or after the required hours during which an
3 employee, with the approval of his or her employer, may elect a time of arrival
4 to work and departure from work.

5 (2) “Job-share” means a work arrangement in which two or more
6 employees share one job, jointly assuming responsibility for the job’s output.

7 (3) “Part-time work” means a work arrangement in which an employee
8 works more than 20 hours per week but fewer than 40 hours per week.

9 (4) “Telecommuting” means a work arrangement in which an employee
10 works from the employee’s home or a workplace near the employee’s home
11 instead of from the employee’s principal workplace.

12 Sec. 3. SIMPLIFYING GOVERNMENT FOR BUSINESSES WITH

13 REMOTE WORKERS

14 (a) On or before January 15, 2018, the Secretary of Administration and the
15 Secretary of State, in collaboration with the Department of Labor, the Agency
16 of Commerce and Community Development, the Department of Taxes, and
17 other stakeholders, shall design a system that:

18 (1) enhances the State’s website to simplify registration and offer a clear
19 compilation of State permitting rules to businesses that employ remote workers
20 in Vermont;

21 ~~(2) creates a single, simple mechanism for making payments to the~~

1 State, by allowing a person to pay amounts he or she owes to the State for
2 taxes, fees, or other charges, through a single portal on the State's website or to
3 a single recipient within government;

4 (3) creates a single, simple mechanism for a business that employs
5 remote workers in Vermont to satisfy annual filing requirements by allowing a
6 person to make a single filing through a portal on the State website or to a
7 single recipient within government and to check a box if nothing substantive
8 has changed from the prior year; and

9 (4) provides more direct support to businesses that employ remote
10 workers in Vermont, whether by designating an existing position or creating a
11 new position within either the Office of the Secretary of State or another
12 government entity, to offer technical guidance, information, and other support
13 to persons who are forming or operating a business that employs remote
14 workers in Vermont.

15 (b) The Secretary of Administration shall submit the proposal to the
16 General Assembly on or before December 15, 2017. The proposal shall
17 identify any opportunities to streamline requirements related to permitting,
18 registration, and payment of taxes and fees, as well as and reduce the
19 administrative burden on both businesses that employ remote workers in
20 Vermont and the State. The report shall also include any recommendations for
21 legislative action necessary to implement the new system.

1 ~~Sec. 4. IMPROVING INFRASTRUCTURE AND SUPPORT FOR REMOTE~~

2 WORK IN VERMONT; STUDY; REPORT

3 (a) The Secretary of Commerce and Community Development, in
4 consultation with the Commissioners of Labor, of Public Service, and of
5 Buildings and General Services, and other interested stakeholders, shall
6 identify and examine the infrastructural improvements and other support
7 needed to enhance the ability of businesses to establish a remote presence in
8 Vermont and to allow Vermonters and businesses developing from generator
9 spaces to work and provide services remotely.

10 (b) Based on his or her findings, and in consultation with the
11 Commissioners of Labor, of Public Service, and of Buildings and General
12 Services, and other interested stakeholders, the Secretary shall develop a
13 program to address the needs identified pursuant to subsection (a) of this
14 section. Specifically, the program shall:

15 (1) address the infrastructural needs of remote workers and businesses
16 developing from generator spaces;

17 (2) promote and facilitate the use of remote worksites and generator
18 spaces;

19 (3) encourage out-of-state companies to use remote workers in Vermont;

20 (4) reduce the administrative and regulatory burden on businesses

21 employing remote workers in Vermont, and

1 ~~(5) increase the ease of start-up companies finding remote work or~~
2 ~~generator spaces in the State.~~

3 ~~(c) On or before January 15, 2018, the Secretary shall submit a written~~
4 ~~report detailing his or her findings, plan, and any recommendations for~~
5 ~~legislative action to implement the plan to the House Committee on Commerce~~
6 ~~and Economic Development and the Senate Committee on Economic~~
7 ~~Development, Housing and General Affairs.~~

8 Sec. 5. INTEGRATED PUBLIC-PRIVATE STATE WORKSITES

9 ~~The Secretary of Administration, in consultation with the Secretary of~~
10 ~~Commerce and Community Development and the Commissioner of Buildings~~
11 ~~and General Services, shall examine the potential for the State to establish~~
12 ~~remote worksites that are available for use by both State employees and remote~~
13 ~~workers in the private sector. The Secretary shall examine the feasibility of~~
14 ~~and potential funding models for the worksites. On or before January 15,~~
15 ~~2018, the Secretary shall submit a written report to the House Committee on~~
16 ~~Commerce and Economic Development and the Senate Committee on~~
17 ~~Economic Development, Housing and General Affairs detailing his or her~~
18 ~~findings and any recommendations for legislative action.~~

19 Sec. 6. IMPROVEMENT OF TARGETED WORKFORCE EDUCATIONAL
20 OPPORTUNITIES

21 ~~The Commissioner of Labor, in consultation with the Secretary of~~

1 Education, the President of the University of Vermont and State Agricultural
2 College, the Chancellor of the Vermont State Colleges, the Vermont
3 Association of Career and Technical Education Directors, representatives of
4 Vermont employers and workforce educational organizations, and other
5 interested stakeholders shall identify skilled occupations for which there is a
6 current or projected shortage of workers in Vermont, and create a plan to
7 develop, expand, and prioritize educational programs, including undergraduate
8 and graduate degree and certificate programs, continuing education, career and
9 technical education, and internships, that will provide the skills necessary for
10 the occupations identified. On or before January 15, 2018, the Commissioner
11 shall submit a written report to the General Assembly detailing his or her
12 findings and plan, and any recommendations for legislative action necessary to
13 implement the plan.

14 Sec. 7. RURAL WORKFORCE BROADBAND PROGRAM

15 (a) The Secretary of Commerce and Community Development, in
16 consultation with the Director for Telecommunications and Connectivity, shall
17 develop a rural workforce broadband program. The purpose of the program
18 shall be to encourage the deployment of broadband Internet access in rural,
19 high-cost areas of the State to promote economic development. Specifically,
20 the program shall:

21 (1) provide time-limited financial assistance to remote workers for

1 ~~access to digital devices, broadband Internet connections, and local content~~
2 ~~and services, such as business software and applications;~~
3 ~~(2) be funded through Vermont's Universal Service Fund;~~
4 ~~(3) to the greatest extent possible and for the purpose of finding least-~~
5 ~~cost alternatives, encourage connections with existing fiber optic networks,~~
6 ~~such as the network owned by the Vermont Electric Power Co., Inc. (VELCO);~~
7 ~~(4) ensure that funding under the program is used only to support~~
8 ~~Internet service capable of upload and download speeds necessary to~~
9 ~~adequately support a remote workforce;~~
10 ~~(5) reflect eligibility criteria that ensure funds are used in a manner that~~
11 ~~will achieve the greatest economic benefit in Vermont communities that~~
12 ~~currently do not have universal access to broadband Internet service; and~~
13 ~~(6) include any other standards or criteria necessary to achieve the~~
14 ~~purpose of the program.~~
15 ~~(b) On or before December 1, 2017, the program developed pursuant to~~
16 ~~this section shall be submitted to the General Assembly jointly by the~~
17 ~~Secretary and the Director in the form of draft legislation.~~

18 Sec. 8. EFFECTIVE DATE

19 ~~This act shall take effect on July 1, 2017.~~

~~See 1-22 VS 4, chapter 151, subchapter 11B is added to read:~~

~~*Subchapter 111. New Remote Worker Tax Credit*~~

~~§ 5030pp. NEW REMOTE WORKER TAX CREDIT~~

~~(a) As used in this section:~~

~~(1) "New remote worker" means an individual who:~~

~~(A) is a full-time employee of a business with its domicile or primary place of business outside Vermont;~~

~~(B) becomes a full-time resident of this State on or after January 1, 2019; and~~

~~(C) performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State.~~

~~(2) "Qualifying remote worker expenses" means a new remote worker's actual costs incurred for one or more of the following that are necessary to perform his or her employment duties:~~

~~(A) relocation to this State;~~

~~(B) computer software and hardware;~~

~~(C) broadband access or upgrade; and~~

~~(D) membership in a co-working or similar space.~~

~~(b)(1) A new remote worker shall be eligible for a nonrefundable credit against the income tax liability imposed under this chapter for qualifying remote worker expenses in the amount of not more than \$2,000.00 per year for up to five years, not to exceed \$10,000.00 per new remote worker.~~

~~(2)(A) The Agency of Commerce and Community Development shall develop a process to certify new remote workers for eligibility for a credit under this section.~~

~~(B) Upon certifying that a new remote worker meets the eligibility requirements of this section and his or her qualifying expenses for a tax year, the Agency shall issue to the new remote worker a credit certificate for the amount of his or her qualifying expenses, which the new remote worker shall file with his or her tax return.~~

~~(3) The Agency shall annually award credit certificates on a first-come, first-served basis, up to \$250,000.00 in total credits per year.~~

~~(c) A new remote worker may:~~

~~(1) first claim a credit under this section in the tax year following the year in which he or she becomes a resident of this State;~~

~~(2) claim an additional credit in each of the subsequent four tax years, provided he or she remains a resident of this State and a full-time remote worker; and~~

~~(2) carry forward the amount of any unused credit for five tax years.~~

~~(d) The Agency of Commerce and Community Development shall:~~

~~(1) promote awareness of the new remote worker tax credit authorized in this section; and~~

~~(2) adopt measurable goals, performance measures that demonstrate results, and an audit strategy to assess the utilization and performance of the credit authorized in this section.~~

~~Sec. 2. IMPROVING INFRASTRUCTURE AND SUPPORT FOR REMOTE WORK IN VERMONT; STUDY; REPORT~~

~~(a) The Secretary of Commerce and Community Development, in consultation with the Commissioners of Labor, of Public Service, and of Buildings and General Services, and other interested stakeholders, shall identify and examine the infrastructure improvements and other support needed to enhance the ability of businesses to establish a remote presence in Vermont and to allow Vermonters and businesses developing from maker spaces, co-working spaces, remote work hubs, and innovation spaces to work and provide services remotely.~~

~~(b) Based on his or her findings, and in consultation with the Commissioners of Labor, of Public Service, and of Buildings and General Services, and other interested stakeholders, the Secretary shall design a program to address the needs identified pursuant to subsection (a) of this section.~~

~~(c) Specifically, the program shall:~~

~~(1) address the infrastructure needs of remote workers and businesses developing from generator spaces;~~

~~(2) promote and facilitate the use of remote work sites and maker spaces, co-working spaces, remote work hubs, and innovation spaces;~~

~~(3) encourage out-of-state companies to use remote workers in Vermont;~~

~~(4) reduce the administrative and regulatory burden on businesses employing remote workers in Vermont;~~

~~(5) increase the ease of start-up companies finding remote work or maker spaces, co-working spaces, remote work hubs, and innovation spaces in the State; and~~

~~(6) support the interconnection of current and future maker spaces, co-working spaces, remote work hubs, and innovation spaces in this State.~~

~~(d) On or before January 15, 2019, the Secretary shall submit to the House~~

~~Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a written report detailing:~~

~~(1) his or her findings, program, and any recommendations for legislative action to implement the program; and~~

~~(2) any additional policy changes to improve the climate for remote workers, including zoning measures, insurance and liability issues, workforce training needs, broadband access, access to co-working spaces, and an assessment of environmental implications of working remotely.~~

~~Sec. 3. INTEGRATED PUBLIC-PRIVATE STATE WORKSITES~~

~~(a) The Secretary of Administration, in consultation with the Secretary of Commerce and Community Development and the Commissioner of Buildings and General Services, shall examine the potential for the State to establish remote worksites that are available for use by both State employees and remote workers in the private sector.~~

~~(b) The Secretary shall examine the feasibility of and potential funding models for the worksites, including the opportunity to provide at low or no cost co-work space within State buildings that is currently vacant or underutilized.~~

~~(c) On or before January 15, 2019, the Secretary shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs detailing his or her findings and any recommendations for legislative action.~~

~~Sec. 4. BROADBAND AVAILABILITY FOR REMOTE WORKERS~~

~~On or before January 15, 2019, the Director of Telecommunications and Connectivity, in consultation with the Agency of Commerce and Community Development, shall submit with the annual report required by 30 V.S.A. § 202e findings and recommendations concerning:~~

~~(1) the current availability of broadband service in municipal downtown centers that do, or could at reasonable cost, support one or more co-working spaces or similar venues for remote workers and small businesses; and~~

~~(2) strategies for expanding and enhancing broadband availability for such spaces.~~

~~5. EFFECTIVE DATES~~

~~(a) This section and Secs. 2-4 shall take effect on passage.~~

~~(b) Sec. 1 (new remote worker tax credit) shall take effect on the date specified in H.924 (2018) as enacted.~~

~~*** Promoting Remote Workers and Remote Work Arrangements ***~~

Sec. 1. NEW REMOTE WORKER GRANT PROGRAM

(a) As used in this section:

(1) "New remote worker" means an individual who:

(A) is a full-time employee of a business with its domicile or primary place of business outside Vermont;

(B) becomes a full-time resident of this State on or after January 1, 2019; and

(C) performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State.

(2) "Qualifying remote worker expenses" means actual costs a new remote worker incurs for one or more of the following that are necessary to perform his or her employment duties:

(A) relocation to this State;

(B) computer software and hardware;

(C) broadband access or upgrade; and

(D) membership in a co-working or similar space.

(b)(1) The Agency of Commerce and Community Development shall design and implement the New Remote Worker Grant Program, which shall include a simple certification process to certify new remote workers and certify qualifying expenses for a grant under this section.

(2) A new remote worker may be eligible for a grant under the Program for qualifying remote worker expenses in the amount of not more than \$5,000.00 per year, not to exceed a total of \$10,000.00 per individual new remote worker over the life of the Program.

(3) The Agency shall award grants under the Program on a first-come, first-served basis, subject to available funding, as follows:

(A) not more than \$125,000.00 in calendar year 2019;

(B) not more than \$250,000.00 in calendar year 2020;

(C) not more than \$125,000.00 in calendar year 2021; and

(D) not more than \$100,000.00 per year in each subsequent calendar year; to the extent funding remains available.

(c) The Agency shall:

(1) adopt procedures for implementing the Program;

(2) promote awareness of the Program, including through coordination with relevant trade groups and by integration into the Agency's economic development marketing campaigns; and

(3) adopt measurable goals, performance measures, and an audit strategy to assess the utilization and performance of the Program.

(d) On or before October 1, 2019, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the procedures adopted pursuant to subdivision (c)(1) of this section;

(2) the promotion and marketing of the Program pursuant to subdivision (c)(2) of this section; and

(3) any additional recommendations for qualifying remote worker expenses or qualifying workers that should be eligible under the Program, and any recommendations for the maximum amount of the grant.

* * * ThinkVermont Innovation Initiative * * *

Sec. 2. THINKVERMONT INNOVATION INITIATIVE

(a) Purpose.

(1) The ThinkVermont Innovation Initiative is created to respond to the growth needs of Vermont small businesses with 20 or fewer employees by funding innovative strategies that accelerate small business growth and meet the project criteria specified in this section.

(2) The Initiative shall enable the State to invest in projects with grants that can be accessed more quickly and with fewer restrictions than traditional federal initiatives.

(b) Process; grant distribution.

(1) The Secretary of Commerce and Community Development, in consultation with the Vermont Economic Progress Council, shall:

(A) adopt a schedule and process for accepting, reviewing, and approving grant proposals on a competitive basis;

(B) distribute grants across geographic areas of the State; and

(C) distribute grants across diverse industries, sectors, and business types, including for-profit and nonprofit organizations.

(2)(A) A grant shall provide funding in only one fiscal year.

(B) A recipient shall be eligible for a grant through the Initiative in not more than two fiscal years.

(c) Funding; matching requirements. The Secretary shall require a grant recipient to provide a funding match of 100 percent of the value of the grant.

(d) Eligibility criteria. To be eligible for a grant, a project shall:

(1) provide workforce training and recruitment that is not eligible for funding through another State or federal program and that serves an immediate employer need to fill one or more job vacancies;

(2) establish or enhance a facility that attracts small companies or remote workers, or both, including maker spaces, co-working spaces, remote work hubs, and innovation spaces, with special emphasis on facilities that promote colocation of nonprofit, for-profit, and government entities;

(3) enable or support deployment of broadband telecommunications connectivity;

(4) leverage economic development funding outside State government, including the federal New Market Tax Credit program and Small Business Innovation Research grants;

(5) support growth in Vermont's aerospace, aviation, or aviation technology sectors; or

(6) provide technical assistance to support small business growth.

(e) Outcomes; measures. The Secretary shall adopt measures to evaluate a grant to determine its impact, including job growth measured at one-, three-, and five-year intervals.

** * * Economic Development Marketing * * **

Sec. 3. ECONOMIC DEVELOPMENT MARKETING

(a) The Agency of Commerce and Community Development shall continue economic development marketing activities funded in 2017 Acts and Resolves No. 85, Sec. C.100.1, and may match State funds appropriated for that purpose with federal funds, special funds, grants, donations, and private funds.

(b) To increase the amount and effectiveness of its economic development marketing activities, the Agency shall collaborate with public or private sector partners, or both, to maximize State marketing resources and to enable Vermont businesses to align their own brand identities with the Vermont brand to enhance the reputations of both the businesses and the State.

** * * Appropriations * * **

*Sec. 4. ECONOMIC DEVELOPMENT APPROPRIATIONS;
FY 2018 CARRY FORWARD*

The following appropriations are made from the General Fund in fiscal year 2018 to the Agency of Commerce and Community Development to be carried forward until expended and used for the following purposes:

(1) \$500,000 for the New Remote Worker Grant Program created in Sec. 1 of this act;

(2) \$150,000 for the ThinkVermont Innovation Initiative created in Sec. 2 of this act; and

(3) \$250,000 for economic development marketing pursuant to Sec. 3 of this act.

** * * Promoting Remote Work, Maker, and Innovation Spaces * * **

*Sec. 5. IMPROVING INFRASTRUCTURE AND SUPPORT FOR REMOTE
WORK IN VERMONT; STUDY; REPORT*

(a) The Secretary of Commerce and Community Development, in consultation with the Commissioners of Labor, of Public Service, and of Buildings and General Services and other interested stakeholders, shall identify and examine the infrastructure improvements and other support needed to:

(1) enable workers and businesses to establish or enhance a remote presence in Vermont;

(2) build capacity throughout the State to increase access to maker spaces, co-working spaces, remote work hubs, and innovation spaces; and

(3) support the interconnection of current and future maker spaces, co-working spaces, remote work hubs, innovation spaces, and regional technical centers.

(b) On or before January 15, 2019, the Secretary shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a written report detailing his or her findings and recommendations.

Sec. 6. INTEGRATED PUBLIC-PRIVATE STATE WORKSITES

(a) The Secretary of Administration, in consultation with the Secretary of Commerce and Community Development and the Commissioner of Buildings and General Services, shall examine the potential for the State to establish remote worksites that are available for use by both State employees and remote workers in the private sector.

(b) The Secretary shall examine the feasibility of and potential funding models for the worksites, including the opportunity to provide at low- or no-cost co-working space within State buildings that is currently vacant or underutilized.

(c) On or before January 15, 2019, the Secretary shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs detailing his or her findings and any recommendations for legislative action.

Sec. 7. BROADBAND AVAILABILITY FOR REMOTE WORKERS

On or before January 15, 2019, the Director of Telecommunications and Connectivity, in consultation with the Agency of Commerce and Community Development, shall submit with the annual report required by 30 V.S.A. § 202e findings and recommendations concerning:

(1) the current availability of broadband service in municipal downtown centers that do, or could at reasonable cost, support one or more co-working spaces or similar venues for remote workers and small businesses; and

(2) strategies for expanding and enhancing broadband availability for such spaces.

** * * Municipalities; Village Center Designation; Electronic Filings * * **

Sec. 8. 24 V.S.A. § 2793 is amended to read:

§ 2793. DESIGNATION OF DOWNTOWN DEVELOPMENT DISTRICTS

** * **

(c) A designation issued under this section shall be effective for eight years and may be renewed on application by the municipality. The State Board also shall review a community's designation ~~every five~~ four years after issuance or renewal and may review compliance with the designation requirements at more frequent intervals. ~~On and after July 1, 2014, any~~ Any community applying for renewal shall explain how the designation under this section has furthered the goals of the town plan and shall submit an approved town plan map that depicts the boundary of the designated district. If at any time the State Board

determines that the downtown development district no longer meets the standards for designation established in subsection (b) of this section, it may take any of the following actions:

* * *

Sec. 9. 24 V.S.A. § 2793a is amended to read:

§ 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

* * *

(d) The State Board shall review a village center designation every five eight years and may review compliance with the designation requirements at more frequent intervals. ~~On and after July 1, 2014, any~~ Any community applying for renewal shall explain how the designation under this section has furthered the goals of the town plan and shall submit an approved town plan map that depicts the boundary of the designated district. If at any time the State Board determines that the village center no longer meets the standards for designation established in subsection (a) of this section, it may take any of the following actions:

* * *

Sec. 10. 24 V.S.A. § 2793b is amended to read:

§ 2793b. DESIGNATION OF NEW TOWN CENTER DEVELOPMENT DISTRICTS

* * *

(d) A designation issued under this section shall be effective for eight years and may be renewed on application by the municipality. The State Board also shall review a new town center designation every ~~five~~ four years after issuance or renewal and may review compliance with the designation requirements at more frequent intervals. The State Board may adjust the schedule of review under this subsection to coincide with the review of a related growth center. If at any time the State Board determines the new town center no longer meets the standards for designation established in subsection (b) of this section, it may take any of the following actions:

* * *

Sec. 11. 24 V.S.A. § 4345b is amended to read:

§ 4345b. INTERMUNICIPAL SERVICE AGREEMENTS

(a)(1) Prior to exercising the authority granted under this section, a regional planning commission shall:

(A) draft bylaws specifying the process for entering into, method of

withdrawal from, and method of terminating service agreements with municipalities; and

(B) hold one or more public hearings within the region to hear from interested parties and citizens regarding the draft bylaws.

(2) At least 30 days prior to any hearing required under this subsection, notice of the time and place and a copy of the draft bylaws, with a request for comments, shall be delivered to the chair of the legislative body of each municipality within the region, which may be done electronically, provided the sender has proof of receipt. The regional planning commission shall make copies available to any individual or organization requesting a copy.

** * **

Sec. 12. 24 V.S.A. § 4348 is amended to read:

§ 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

** * **

(c) At least 30 days prior to the first hearing, a copy of the proposed plan or amendment, with a request for general comments and for specific comments with respect to the extent to which the plan or amendment is consistent with the goals established in section 4302 of this title, shall be delivered physically or electronically with proof of receipt, or sent by certified mail, return receipt requested, to each of the following:

(1) the chair of the legislative body of each municipality within the region;

(2) the executive director of each abutting regional planning commission;

(3) the Department of Housing and Community Development within the Agency of Commerce and Community Development;

(4) business, conservation, low-income advocacy, and other community or interest groups or organizations that have requested notice in writing prior to the date the hearing is warned; and

(5) the Agency of Natural Resources and the Agency of Agriculture, Food and Markets.

** * **

(e) The regional planning commission may make revisions to the proposed plan or amendment at any time not less than 30 days prior to the final public hearing held under this section. If the proposal is changed, a copy of the proposed change shall be delivered, physically or electronically with proof of

receipt or by certified mail, return receipt requested, to the ~~chairperson~~ chair of the legislative body of each municipality within the region, and to any individual or organization requesting a copy, at least 30 days prior to the final hearing.

* * *

Sec. 13. 24 V.S.A. § 4352 is amended to read:

*§ 4352. OPTIONAL DETERMINATION OF ENERGY COMPLIANCE;
ENHANCED ENERGY PLANNING*

* * *

(e) Process for issuing determinations of energy compliance. Review of whether to issue a determination of energy compliance under this section shall include a public hearing noticed at least 15 days in advance by direct mail or electronically with proof of receipt to the requesting regional planning commission or municipal legislative body, posting on the website of the entity from which the determination is requested, and publication in a newspaper of general publication in the region or municipality affected. The Commissioner or regional planning commission shall issue the determination in writing within two months ~~of~~ after the receipt of a request for a determination. If the determination is negative, the Commissioner or regional planning commission shall state the reasons for denial in writing and, if appropriate, suggest acceptable modifications. Submissions for a new determination that follow a negative determination shall receive a new determination within 45 days.

* * *

Sec. 14. 24 V.S.A. § 4384 is amended to read:

*§ 4384. PREPARATION OF PLAN; HEARINGS BY PLANNING
COMMISSION*

* * *

(e) At least 30 days prior to the first hearing, a copy of the proposed plan or amendment and the written report shall be delivered physically or electronically with proof of receipt, or mailed by certified mail, return receipt requested, to each of the following:

(1) the ~~chairperson~~ chair of the planning commission of each abutting municipality, or in the absence of any planning commission in an abutting municipality, to the clerk of that municipality;

(2) the executive director of the regional planning commission of the area in which the municipality is located;

~~(3) the department of housing and community affairs~~ Department of Housing and Community Development within the agency of commerce and community development Agency of Commerce and Community Development; and

~~(4) business, conservation, low-income~~ low-income advocacy, and other community or interest groups or organizations that have requested notice in writing prior to the date the hearing is warned.

* * *

Sec. 15. 24 V.S.A. § 4385 is amended to read:

§ 4385. ADOPTION AND AMENDMENT OF PLANS; HEARING BY LEGISLATIVE BODY

* * *

~~(c) A plan of a municipality or an amendment thereof shall be adopted by a majority of the members of its legislative body at a meeting which is held after the final public hearing. If, however, at a regular or special meeting of the voters duly warned and held as provided in 17 V.S.A. chapter 55, a municipality elects to adopt or amend municipal plans by Australian ballot, that procedure shall then apply unless rescinded by the voters at a regular or special meeting similarly warned and held. If the proposed plan or amendment is not adopted so as to take effect within one year of after the date of the final hearing of the planning commission, it shall be considered rejected by the municipality. Plans and amendments shall be effective upon adoption, and. Copies of newly adopted plans and amendments shall be provided to the regional planning commission and to the commissioner of housing and community affairs~~ Commissioner of Housing and Community Development within 30 days of after adoption, which may be done electronically, provided the sender has proof of receipt. If a municipality wishes its plan or plan amendment to be eligible for approval under the provisions of section 4350 of this title, it shall request approval. The request for approval may be before or after adoption of the plan by the municipality, at the option of the municipality.

* * *

Sec. 16. 24 V.S.A. § 4424 is amended to read:

§ 4424. SHORELANDS; RIVER CORRIDOR PROTECTION AREAS; FLOOD OR HAZARD AREA; SPECIAL OR FREESTANDING BYLAWS

~~(a) Bylaws; flood and other hazard areas; river corridor protection. Any municipality may adopt freestanding bylaws under this chapter to address particular hazard areas in conformance with the municipal plan or, for the~~

purpose of adoption of a flood hazard area bylaw, a local hazard mitigation plan approved under 44 C.F.R. § 201.6. Such freestanding bylaws may include the following, which may also be part of zoning or unified development bylaws:

(1) Bylaws to regulate development and use along shorelands.

(2) Bylaws to regulate development and use in flood areas, river corridor protection areas, or other hazard areas. The following shall apply if flood or other hazard area bylaws are enacted:

** * **

(D)(i) Mandatory provisions. Except as provided in subsection (c) of this section, all flood and other hazard area bylaws shall provide that no permit for new construction or substantial improvement shall be granted for a flood or other hazard area until after both the following:

(I) A copy of the application is mailed or delivered by the administrative officer or by the appropriate municipal panel to the Agency of Natural Resources or its designee, which may be done electronically, provided the sender has proof of receipt.

(II) Either 30 days have elapsed following the mailing or the Agency or its designee delivers comments on the application.

(ii) The Agency of Natural Resources may delegate to a qualified representative of a municipality with a flood hazard area bylaw or ordinance or to a qualified representative for a regional planning commission the Agency's authority under this subdivision (a)(2)(D) to review and provide technical comments on a proposed permit for new construction or substantial improvement in a flood hazard area. Comments provided by a representative delegated under this subdivision (a)(2)(D) shall not be binding on a municipality.

** * **

Sec. 17. 24 V.S.A. § 4441 is amended to read:

*§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;
AMENDMENT OR REPEAL*

** * **

(e) At least 15 days prior to the first hearing, a copy of the proposed bylaw, amendment, or repeal and the written report shall be delivered physically or electronically with proof of receipt, or mailed by certified mail, return receipt requested, to each of the following:

~~(1) The chairperson chair of the planning commission of each abutting municipality, or in the absence of any planning commission in a municipality, the clerk of that abutting municipality.~~

~~(2) The executive director of the regional planning commission of the area in which the municipality is located.~~

~~(3) The department of housing and community affairs Department of Housing and Community Development within the agency of commerce and community development Agency of Commerce and Community Development.~~

* * *

Sec. 18. 24 V.S.A. § 4445 is amended to read:

§ 4445. AVAILABILITY AND DISTRIBUTION OF DOCUMENTS

~~Current copies of plans, bylaws, and capital budgets and programs shall be available to the public during normal business hours in the office of the clerk of any municipality in which those plans, bylaws, or capital budgets or programs have been adopted. The municipality shall provide all final adopted bylaws, amendments, or repeals to the regional planning commission of the area in which the municipality is located and to the department of housing and community affairs Department of Commerce and Community Development, which may be done electronically, provided the sender has proof of receipt.~~

* * *

* * * Wastewater and Potable Water Lending * * *

Sec. 19. 24 V.S.A. § 4752 is amended to read:

§ 4752. DEFINITIONS

~~As used in this chapter:~~

* * *

~~(13) “Potable water supply facilities” means municipal water sources, water treatment plants, structures, pipe lines, storage facilities, pumps, and attendant facilities necessary to develop a source of water and to treat and convey it in proper quantity and quality for public use within a municipality has the same meaning as in 10 V.S.A. § 1972.~~

* * *

~~(17) “Designer” means a person authorized to design wastewater systems and potable water supplies as identified in 10 V.S.A. § 1975.~~

Sec. 20. 24 V.S.A. § 4753 is amended to read:

§ 4753. REVOLVING LOAN FUNDS; AUTHORITY TO SPEND; REPORT

(a) There is hereby established a series of special funds to be known as:

** * **

(10) The Vermont Wastewater and Potable Water Revolving Loan Fund, which shall be used to provide loans to individuals, in accordance with section 4763b of this title, for the design and construction of repairs to or replacement of wastewater systems and potable water supplies when the wastewater system or potable water supply is a failed system or supply as defined in 10 V.S.A. § 1972, or when a designer demonstrates that the wastewater system or potable water supply has a high probability of failing. The amount of up to \$275,000.00 from the fees collected pursuant to 3 V.S.A. § 2822(j)(4) shall be deposited on an annual basis into this Fund at the beginning of each fiscal year to ensure a minimum balance of available funds of \$275,000.00 exists for each fiscal year.

** * **

Sec. 21. 24 V.S.A. § 4763b is amended to read:

§ 4763b. LOANS TO INDIVIDUALS FOR FAILED WASTEWATER SYSTEMS AND FAILED POTABLE WATER SUPPLIES

(a) Notwithstanding any other provision of law, when the wastewater system or potable water supply serving only ~~one single-family residence on its own lot~~ single-family and multifamily residences either meets the definition of a failed supply or system in 10 V.S.A. § 1972 or is demonstrated by a designer to have a high probability of failing, the Secretary of Natural Resources may lend monies to the owner of the residence an owner of one or more of the residences from the Vermont Wastewater and Potable Water Revolving Loan Fund established in section 4753 of this title. In such cases, the following conditions shall apply:

(1) loans a loan may only be made to households with an owner with a household income equal to or less than 200 percent of the State average median household income;

(2) loans a loan may only be made to households where the recipient of the loan resides in the residence an owner who resides in one of the residences served by the failed supply or system on a year-round basis;

(3) ~~loans~~ a loan may only be made if ~~the owner of the residence to an owner who~~ has been denied financing for the repair, replacement, or construction due to involuntary disconnection by at least one other financing entity;

(4) ~~when the failed supply or system also serves residences owned by persons other than the loan applicant, a loan may only be made for an equitable share of the cost to repair or replace the failed supply or system that is determined through agreement of all of the owners of residences served by the failed system or supply;~~

(5) no construction loan shall be made to an individual under this subsection, nor shall any part of any revolving loan made under this subsection be expended, until all of the following take place:

(A) the Secretary of Natural Resources determines that if a wastewater system and potable water supply permit is necessary for the design and construction of the project to be financed by the loan, the permit has been issued to the owner of the failed system or supply; and

(B) the individual applying for the loan certifies to the Secretary of Natural Resources that the proposed project has secured all State and federal permits, licenses, and approvals necessary to construct and operate the project to be financed by the loan;

~~(5)~~(6) all funds from the repayment of loans made under this section shall be deposited into the Vermont Wastewater and Potable Water Revolving Loan Fund.

(b) The Secretary of Natural Resources shall establish standards, policies, and procedures as necessary for the implementation of this section. The Secretary may establish criteria to extend the payment period of a loan or to waive all or a portion of the loan amount.

** * * Rural Economic Development Districts * * **

Sec. 22. 24 V.S.A. § 5704 is amended to read:

§ 5704. GOVERNING BOARD; COMPOSITION; MEETINGS; REPORT

(a) Governing board. The legislative power and authority of a district and the administration and the general supervision of all fiscal, prudential, and governmental affairs of a district shall be vested in a governing board, except as otherwise specifically provided in this chapter.

(b) Composition. ~~The first~~ governing board of the district shall consist of ~~four to eight~~ members appointed in equal numbers by the legislative bodies of the underlying municipalities. ~~It~~ The board shall draft the district's bylaws

specifying the size, composition, quorum requirements, and manner of appointing and removing members to the permanent governing board, including nonvoting, at-large board members. The bylaws shall require that a majority of the board shall be appointed annually by the legislative bodies of the underlying municipalities appoint board members and fill board member vacancies. Board members appointed by the underlying municipalities may appoint additional, nonvoting, at-large board members and fill at-large board member vacancies. Board members, including at-large members, are not required to be residents of an underlying municipality. However, a majority of the board shall be residents of an underlying municipality. Board members shall serve staggered, three-year terms, and shall be eligible to serve successive terms. ~~The legislative bodies of the municipalities in which the district is located shall fill board vacancies, and may remove board members at will.~~ At-large board members shall serve one-year terms, and shall be eligible to serve successive terms. Any bylaws developed by the governing board under this subsection shall be submitted for approval to the legislative bodies of the municipalities within the district and shall be considered duly adopted 45 days ~~from~~ after the date of submission, provided none of the legislative bodies disapprove of the bylaws.

(c) First meeting. The first meeting of the district shall be called upon 30 days' posted and published notice by a presiding officer of a legislative body in which the district is located. ~~Voters within a municipality in which the district is located are eligible to vote at annual and special district meetings. At the first meeting of the district, and at each subsequent annual meeting, there shall be elected from among board members a chair, vice chair, clerk, and treasurer who shall assume their respective offices upon election. At the first meeting, the fiscal year of the district shall be established and rules of parliamentary procedure shall be adopted.~~ The board shall elect from among its members a chair, vice chair, clerk, and treasurer. The board shall establish the fiscal year of the district and shall adopt rules of parliamentary procedure. Prior to assuming their offices, officers may be required to post bond in such amounts as determined by resolution of the board. The cost of such bond shall be borne by the district.

(d) Annual and special meetings. Unless otherwise established by the voters, the annual district meeting shall be held on the second Monday in January and shall be warned by the clerk or, in the clerk's absence or neglect, by a member of the board. Special meetings shall be warned in the same manner on application in writing by five percent of the voters of the district. A warning for a district meeting shall state the business to be transacted. The time and place of holding the meeting shall be posted in two or more public places in the district not more than 40 days nor less than 30 days before the

meeting and recorded in the office of the clerk before the same is posted.

(e) Annual report. The district shall report annually to the legislative bodies and the citizens of the municipalities in which the district is located on the results of its activities in support of economic growth, job creation, improved community efficiency, and any other benefits incident to its activities.

(f) Definition. For purposes of this section and section 5709 of this chapter, after a district has been established pursuant to section 5702 of this chapter, "voter" means a board member or subscriber or customer of a service provided by the district. "Voter" does not mean an at-large board member unless the vote is taken at an annual or special meeting and the at-large board member is a subscriber or customer of a service provided by the district.

Sec. 23. 24 V.S.A. § 5705 is amended to read:

§ 5705. OFFICERS

(a) Generally. The ~~district~~ board shall elect at its first meeting and at each annual meeting thereafter a chair, vice chair, clerk, and treasurer, who shall hold office until the next annual meeting and until others are elected. The board may fill a vacancy in any office.

(b) Chair. The chair shall preside at all meetings of the board and make and sign all contracts on behalf of the district upon approval by the board. The chair shall perform all duties incident to the position and office as required by the general laws of the State.

(c) Vice chair. During the absence of or inability of the chair to render or perform his or her duties or exercise his or her powers, the same shall be performed and exercised by the vice chair, and when so acting, the vice chair shall have all the powers and be subject to all the responsibilities given to or imposed upon the chair. During the absence or inability of the vice chair to render or perform his or her duties or exercise his or her powers, the board shall elect from among its members an acting vice chair who shall have the powers and be subject to all the responsibilities given to or imposed upon the vice chair.

(d) Clerk. The clerk shall keep a record of the meetings, votes, and proceedings of the district for the inspection of its inhabitants.

(e) Treasurer. The treasurer of the district shall be ~~appointed~~ elected by the board, and shall serve at its pleasure. The treasurer shall have the exclusive charge and custody of the funds of the district and shall be the disbursing officer of the district. When warrants are authorized by the board, the treasurer may sign, make, or endorse in the name of the district all checks and orders for the payment of money and pay out and disburse the same and

receipt therefor. The treasurer shall keep a record of every obligation issued and contract entered into by the district and of every payment made. The treasurer shall keep correct books of account of all the business and transactions of the district and such other books and accounts as the board may require. The treasurer shall render a statement of the condition of the finances of the district at each regular meeting of the board and at such other times as required of the treasurer. The treasurer shall prepare the annual financial statement and the budget of the district for distribution, upon approval of the board, to the legislative bodies of district members. Upon the treasurer's termination from office by virtue of removal or resignation, the treasurer shall immediately pay over to his or her successor all of the funds belonging to the district and at the same time deliver to the successor all official books and papers.

** * * Effective Date * * **

Sec. 24. EFFECTIVE DATE

This act shall take effect on July 1, 2018.